

**00965**

**1988/07/20**

**FACT PROPIN**

PRIORITY - ~~SECRET~~ GENSER MESSAGE - 6950 CHARS - AMHS MSG NBR: 354-0  
REFERENCE FROM COMIPAC HONOLULU HI SSN 0 AT 20 0335Z JUL88

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## **SECTION ONE OF IES**

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SUBJ: IPAC DAILY INTELLIGENCE SUMMARY 138-88 (U)  
(DIPS REC. I.D. PN 001) (U)

(U) INDIVIDUAL ITEMS MAY BE FURTHER DISSEMINATED TO U.S. INTELLIGENCE USERS BASED ON CLASSIFICATION AND NEED TO KNOW. REQUESTS TO RELEASE/DISCLOSE ANY INFORMATION CONTAINED IN THIS SUMMARY TO A FOREIGN GOVERNMENT SHOULD BE FORWARDED TO COMIPAC FOR APPROVAL IN ACCORDANCE WITH CURRENT NATIONAL DISCLOSURE POLICY.

(U) FORWARD WITHOUT NATIONAL DISCLOSURE POLICY.  
SERVICE. INFORMATION PERISHABLE

(U) THE SECURE TELEPHONE NUMBER FOR IPAC ANALYSTS IS 6223.  
UNLESS OTHERWISE INDICATED.

~~/-/-/-IN-AREA-/~~

- (1) (C)  
(2) (C/NP)  
(3) (U/EFTO)  
(4) (U)  
(5) (C/NF)  
(6) (S/NF)  
(7) (C)  
(8) (U) CHINA/U.S.  
(9) (C/NF/WN/NC/PR) CHINA  
(10) (U) CHINA  
(11) (C/NF)  
(12) (U)  
(13) (U)  
(14) (C)  
(15) (S/NF) INDIA  
  
(16) (S/NF/WN/NC)  
(17) (S/NF)  
(18) (U)  
(19) (S/NF)  
(20) (S/NF/WN/NC)

~~/-/-OUT-OF-AREA-/~~

I. (U) IN-AREA:

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NNNN

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SECTION 02 OF 03  
SUBJ: IPAC DAILY INTELLIGENCE SUMMARY 138-88 (U)  
(7) (C)

(8) (U) CHINA/U.S.: BALLISTIC MISSILE SALES

(U) CHINESE OFFICIALS APPARENTLY MADE NO PROMISES TO CURB BALLISTIC MISSILE SALES DURING TALKS WITH SECRETARY OF STATE SHULTZ ON 14-15 JUL. SHULTZ EXPRESSED THE U.S. CONCERN OVER MISSILE SALES TO THE MIDDLE EAST BUT CHINESE LEADERS DENIED THEY WERE THE ONLY SUPPLIERS, OR THE BIGGEST. THEY ALSO ASSURED SHULTZ THAT THEY SOLD BALLISTIC MISSILES ONLY TO SAUDI ARABIA. THIS REFLECTS THE CONTINUING SINO-U.S. DIFFERENCE OF PERSPECTIVE REGARDING ARMS SALES IN GENERAL, AND MISSILE PROLIFERATION IN PARTICULAR.

(9) (U) CHINA: F-7 FIGHTER FOLLOW-ON

(10) (U) CHINA: UNIVERSITY GRADUATES DEMONSTRATE

(U) HUNDREDS OF UNIVERSITY GRADUATES DEMONSTRATED IN HAIKOU, CAPITAL OF CHINA'S NEWEST PROVINCE OF HAINAN, ON 15 JUL. THEY PROTESTED THE ALLEGED POLICE BEATING OF TWO STUDENTS ON 12 JUL. THOUSANDS OF YOUNG UNIVERSITY GRADUATES HAVE MOVED TO HAINAN SINCE CHINA BEGAN DEVELOPMENT LATE LAST YEAR. "...THERE TO FIND JOBS

OPINION

AND RETURNED HOME. THOSE REMAINING BECAME HAWKERS AND STREET PEOPLE. THIS DEMONSTRATION INDICATES THE INTELLECTUALS' PERCEPTION THAT THEY ARE NOT GETTING THEIR FULL SHARE OF CHINA'S NEW PROSPERITY.

(11) (C/NP)

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(15) (S/NO) INDIA: INDIGENOUS AWACS

(S/NO) NEW DELHI PRESS REPORTED PLANS FOR AN INDIGENOUS AIRBORNE  
WARNING AND CONTROL SYSTEM (AWACS), INITIALLY SCHEDULED FOR DEPLOY-  
MENT IN 1994-95, HAD BEEN GROUNDED DUE TO A FINANCIAL SQUEEZE. THE  
PROJECT WAS LAUNCHED IN 1985-86 IN RESPONSE TO FEAR OF A U.S./  
PAKISTAN SURVEILLANCE SYSTEM DEAL.

II. (U) OUT-OF-AREA:

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FINAL SECTION OF 03

SUBJ: IPAC DAILY INTELLIGENCE SUMMARY 138-88 (U)

(16) (S/NF/WN/NC)